

4.7 The Borrower will pay, when due, all taxes, assessments and other charges lawfully levied or assessed upon any of the Collateral. If any taxes, assessments or other charges remain unpaid after the date fixed for their payment, or if any lien shall be claimed which, in the Lender's opinion, may possibly create a valid lien or encumbrance on the Collateral, the Lender may without notice to the Borrower pay the taxes, assessments, charges or claims. The amount of any such payment shall be charged to the Borrower's account and added to the Obligations. The Borrower may, however, contest or dispute those charges and claims in good faith, by expeditious protest, administrative or judicial appeal or similar proceeding, provided the Lender is satisfied that the contest or dispute does not affect the Lender's security interest in the Collateral.

4.8 The Borrower shall comply with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part thereof or to the operation of the Borrower's business. The Borrower may, however, contest or dispute any acts, rules, regulations, orders and directions of those bodies or officials in any reasonable manner, provided the Lender is satisfied that the contest or dispute does not affect the Lender's lien or security interest in the Collateral.

4.9 So long as anything is owing under the Obligations to the Lender, the Lender (a) may use any of the Borrower's owned or leased lifts, hoists, trucks and other facilities or equipment for handling or removing the Collateral; and (b) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any of the Borrower's owned or leased property.

4.10 The Lender may at any time take such steps as the Lender deems necessary to protect the Lender's interest in and to preserve the Collateral, including the hiring of such security guards or the placing of other security protection measures as the Lender may deem appropriate. The Lender may select to employ and maintain at any of the Borrower's premises a custodian who shall have full authority to do all acts necessary to protect the Lender's interests in the Collateral. The Lender may lease warehouse facilities to which the Lender may move all or part of the Collateral. The Borrower agrees to cooperate fully with all of the Lender's efforts to preserve the Collateral and will take such actions to preserve the Collateral as the Lender may direct. All of the Lender's expenses of preserving the Collateral, including any expenses relating to the bonding of a custodian, shall be charged to the Borrower's account and added to the Obligations.

4.11 All costs and expenses, including reasonable attorneys' fees incurred by the Lender in all efforts made to enforce payment or otherwise effect collection of any Collateral, as well as all costs and expenses, including attorneys' fees and legal expenses, incurred in connection with the entering into, modification, administration and enforcement of this Agreement and/or the instituting, maintaining, preserving, enforcing and foreclosing the security interest in any of the Collateral, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to the Lender's transactions with the Borrower, shall be charged to the Borrower's account and shall be part of the Obligations.

4.12 The Borrower shall bear the full risk of loss from any loss of any nature whatsoever in respect to Inventory or Equipment in which the Lender has a security interest. At the Borrower's own cost and expense, the Borrower shall keep all Inventory and Equipment fully insured with carriers and in amounts acceptable to the Lender, against the hazards of fire, flood, sprinkler leakage, those hazards covered by extended coverage insurance and such other hazards as may be required by the Lender. The Borrower shall cause to be delivered to the Lender the insurance policies therefor or proper certificates evidencing the same. Such policies shall provide, in manner satisfactory to the Lender, that any losses thereunder shall be payable first to the Lender as the Lender's interests may appear. In the event of any loss thereunder, the carriers named therein hereby are directed by the Lender to make payment for such loss to the Lender and not to the Borrower and the Lender jointly. If any insurance losses are paid by check, draft or other instrument payable to the Borrower and the Lender jointly, the Lender may endorse the Borrower's name thereon and do such other things as the Lender may deem advisable to reduce the same to cash. All loss recoveries received by the Lender upon any such insurance may be applied to the Obligations, in such order as the Lender in its sole discretion may determine. Any surplus shall be paid by the Lender to the Borrower or applied as may be otherwise required by law, provided the Borrower is not in default in any of the Obligations. Any deficiency thereon shall be paid by the Borrower to the Lender, on demand.

4.13 If the Borrower fails to obtain insurance as hereinabove provided, or to keep the same in force, or fails to perform any other of the Obligations, the Lender, if the Lender so elects, may obtain such insurance and pay the premium therefor for the Borrower's account, or make whatever other payments the Lender may deem appropriate to protect the Lender's security hereunder, and charge the Borrower's account therefor and such expenses so paid shall be part of the Obligations.

4.14 Until the Borrower's authority to do so is terminated by the Lender (which notice the Lender may give at any time when the Lender in its sole discretion may deem it to be in the Lender's best interests to do so), the Borrower will, at the Borrower's sole cost and expense, but on the Lender's behalf and for the Lender's account, collect as the Lender's property and in trust for the Lender all amounts unpaid on Receivables, and shall not commingle such collections with the Borrower's funds or use the same except to pay the Obligations. The Borrower shall deliver to the Lender in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidences of indebtedness. The Borrower recognizes that the amounts evidenced by instruments may not be collectible by the Lender on the date received. In consideration of the Lender's agreement to credit the Borrower's account as of the business day on which the Lender receives those instruments, the Borrower agrees that, in computing the charges under Paragraph 3.3, the Lender shall add ~~xxxx~~ additional days to the actual length of each respective billing period. The Lender is not, however, required to credit the Borrower's account for the amount of any instrument which is unsatisfactory to the Lender and the Lender may charge the Borrower's account for the amount of any instrument which is returned to the Lender unpaid.

4.15 At any time after the termination of the Borrower's authority, or at any other time, without cause or notice to the Borrower, the Lender shall have the right to send notice of the assignment of and the Lender's security interest in the Receivables to any and all Customers or any third party holding or otherwise concerned with any of the Collateral. Thereafter, the Lender shall have the sole right to collect the Receivables, take possession of the Collateral, or both. Any and all of the Lender's actual accrued collection expenses, including, but not limited to, stationery and postage, telephone and telegraph, secretarial and clerical expenses and the salaries of any collection personnel used for collection, shall be charged to the Borrower's account and added to the Obligations.

4.16 Upon the Lender's request the Borrower will, upon the creation of Receivables, or at such intervals as the Lender may require, provide the Lender with: (a) confirmatory assignment schedules, (b) copies of Customer's invoices, (c) evidence of shipment or delivery, and (d) such further schedules, documents and/or information regarding the Receivables as the Lender may require. The Lender shall have the right to confirm and verify all Receivables and do whatever the Lender may deem necessary to protect the Lender's interests. The items to be provided under this Paragraph are to be in form satisfactory to the Lender and executed by the Borrower and delivered to the Lender from time to time solely for the Lender's convenience in maintaining records of the Collateral, and the Borrower's failure to deliver any of such items to the Lender shall not affect, terminate, modify or otherwise limit the Lender's lien or security interest in the Collateral.

4.17 The Borrower shall not, without the Lender's consent, compromise or adjust any of the Receivables (or extend the time for payment thereof) or grant any additional discounts, allowances or credits thereon.

4.18 If any of the Receivables include a charge for any tax payable to any governmental taxing authority, the Lender is hereby authorized in its discretion to pay the amount thereof to the proper taxing authority for the Borrower's account and to charge the Borrower's account therefor, such amount becoming part of the Obligations. The Borrower shall notify the Lender if any Receivables include any tax due to any such taxing authority and in the absence of the Borrower's notice, the Lender shall have the right to retain the full proceeds of such Receivables and shall not be liable for any taxes that may be due from the Borrower by reason of the sale and delivery creating such Receivables.